

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES
AND
THE SITES PROJECT AUTHORITY
PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

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- Exhibit A – Sites Authority’s Boundary Map
- Exhibit B – Storage and Conveyance Rates
- Exhibit C – Source(s) of Sites Authority’s Non-Project Water
- Exhibit D – Point(s) of Introduction and Delivery of Non-Project Water
- Exhibit E – Water Quality Standards
- Exhibit F – Approved Laboratory List

DRAFT

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Central Valley Project, California

5 CONTRACT BETWEEN THE UNITED STATES
6 AND
7 THE SITES PROJECT AUTHORITY
8 PROVIDING FOR CONVEYANCE OF NON-PROJECT WATER

9 THIS CONTRACT, made this _____ day of _____, 2026,
10 pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
11 supplementary thereto, including Section 1 of the Act of February 21, 1911 (36 Stat. 925),
12 Section 14 of the Act of August 4, 1939 (53 Stat. 1197), and Section 305 of the Reclamation
13 States Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59), all
14 collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED
15 STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer
16 executing this Contract, hereinafter referred to as the “Contracting Officer” or “Reclamation”,
17 and the SITES PROJECT AUTHORITY, hereinafter referred to as the “Sites Authority”, with its
18 principal place of business in Maxwell, California, individually “Party” and collectively
19 “Parties”.

20 WITNESSETH, That;

21 EXPLANATORY RECITALS

22 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
23 Project, California, for diversion, storage, carriage, distribution and beneficial use, for flood
24 control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and
25 restoration, generation and distribution of electric energy, salinity control, navigation and other

26 beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and
27 the San Joaquin River and their tributaries; and

28 [2nd] WHEREAS, the Sites Authority, previously known as the Sites Joint Powers
29 Authority, was formed as a California joint powers authority operating under and by virtue of
30 Section 6500 *et seq.*, of the California Government Code and formed in accordance with the
31 Sites Project Authority Joint Exercise of Powers Agreement, as such agreement may be modified
32 from time to time, with the primary purpose of designing, constructing, owning, operating and
33 maintaining the Sites Project, a State-led storage project; and

34 [3rd] WHEREAS, the Sites Authority asserts a right to a Non-Project Water (as defined
35 in Article 1) supply for irrigation, M&I (as defined in Article 1), and environmental purposes
36 through ~~water right~~ Sites Water Right, as defined in Article 1, permit XXX and has requested the
37 United States convey said Non-Project Water through Excess Capacity in Central Valley Project
38 Facilities, as identified in Exhibit XX; and

39 [4th] WHEREAS, the United States is willing to convey said Non-Project Water to the
40 Sites Authority through Excess Capacity (as defined in Article 1) in said Central Valley Project
41 Facilities in accordance with the terms and conditions hereinafter stated; and

42 [5th] WHEREAS, the environmental compliance requirements for the execution of this
43 Contract have been met by [NEPA Placeholder]

44 NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually
45 agreed by the Parties hereto as follows:

46 DEFINITIONS

47 1. When used herein unless otherwise distinctly expressed, or manifestly
48 incompatible with the intent of the Parties as expressed in this Contract, the term:

49 (a) “Calendar Year” shall mean the period January 1 through December 31,
50 both dates inclusive;

51 (b) “Central Valley Project” or “CVP” shall mean the Central Valley Project
52 owned by the United States and managed by the Department of the Interior, Bureau of
53 Reclamation;

54
55 (c) “Central Valley Project Use Power” shall mean electrical energy, and its
56 associated ancillary service components, required to provide the full electrical service needed to
57 operate and maintain Federal Facilities, and to provide electric service for CVP purposes and
58 loads in conformance with the Reclamation Project authorization. Central Valley Project Use
59 Power is not available to pump Non-Project Water, to operate pumps that were not built as
60 Federal Facilities as part of the CVP, to pump CVP Water outside the authorized service area, or
61 provide for on-farm uses;

62 (d) “Contracting Officer” shall mean the Secretary of the Interior’s duly
63 authorized representative acting pursuant to this Contract or applicable Reclamation law or
64 regulation;

65 (e) “CVP Water” shall mean all water that is developed, diverted, stored, or
66 delivered by the Secretary in accordance with the statutes authorizing the CVP and in accordance
67 with the terms and conditions of water rights held by Reclamation for the purposes of the CVP
68 acquired pursuant to California law;

69
70 (f)

71 (g) “Excess Capacity” shall mean capacity in the Federal Facilities in excess
72 of that needed to meet the CVP’s authorized purposes, as determined solely by the Contracting
73 Officer, which may be made available to convey and deliver Non-Project Water;

74 (h) “Federal Facilities” shall mean the facilities owned by the United States,
75 as listed in Exhibit **XX**;

76 (i)

77 (j)

78 (k)

79 (l) “Irrigation Water” shall mean Non-Project Water used to irrigate land
80 primarily for the production of commercial agricultural crops or livestock, and domestic and
81 other uses that are incidental thereto;

82 (m) “Municipal and Industrial (M&I) Water” shall mean Non-Project Water
83 used for municipal, industrial, and miscellaneous other purposes not falling under the definition
84 of “Irrigation Water” or within another category of water use under an applicable Federal
85 authority;

86 (n) “Non-Project Water” shall mean water appropriated by the Sites Authority
87 through ~~water right permit(s)~~ the Sites Water Right _____ that has not been
88 appropriated or acquired by the United States;

89 (o) “Operating Non-Federal Entity” shall mean the non-Federal entity that has
90 the obligation pursuant to a separate agreement with the United States to operate and maintain all
91 or a portion of the Federal Facilities, and which may have funding obligations with respect
92 thereto;

93

94 (p) “Rates” shall mean the amount to be paid to the United States by the Sites
95 Authority, as set forth in Exhibit B, for the use of Excess Capacity in the Federal Facilities made
96 available pursuant to this Contract;

97 (q)

98 (r) “Secretary” shall mean the Secretary of the Interior, a duly appointed
99 successor, or an authorized representative acting pursuant to any authority of the Secretary and
100 through any agency of the Department of the Interior;

101 (s) “Sites Authority’s Boundaries” shall mean the geographic area within
102 which the Sites Authority is authorized to serve Non-Project Water under this Contract as set
103 forth on Exhibit A, which may be modified in accordance with Article 18, without amendment of
104 this Contract. If the SWRCB modifies the Contractor’s place of use under the Sites Water
105 Right Water Right Permit No. #####, the Sites Authority shall notify the Contracting Officer,
106 in writing, within 90 days of changes;

107 (t) “Sites Project” shall mean the facilities utilized by the Sites Authority for
108 the purpose of providing storage and conveyance of water, and other benefits, as such project
109 may be modified from time to time;

110 (u) “Sites Water Right” shall mean the water right (order ##) obtained and
111 held by the Sites Authority for the Sites Project.

112 (u) “Year” shall mean the period from and including March 1 of the Calendar
113 Year through the last day of February of the following Calendar Year.

114 TERM OF CONTRACT

115 2. (a) This Contract shall become effective on the date hereinabove written and
116 shall remain in effect for fifty (50) years through [Insert correct day].

117 (b) Execution of this Contract is contingent upon the execution of the
118 following:

119 (i) Partnership Agreement between Reclamation and the Sites
120 Authority

121 (ii) Refuge Water Donation Agreement between Reclamation and the
122 Sites Authority

123 (iii) Contract for Administration of Public Benefits between the State
124 of California and the Sites Authority

125 (iv) Operations Agreement between Reclamation, the State of
126 California Department of Water Resources and the Sites Authority.

127 (c) This Contract may be renewed for successive terms, *Provided*, That the
128 Sites Authority shall submit a request for renewal in writing to the Contracting Officer no later
129 than two years prior to the date this Contract expires, and *Provided further*, That the Sites
130 Authority is in compliance with all the terms and conditions of this Contract; and *Provided*
131 *further*, That the Sites Authority is in compliance with all the terms and conditions of the
132 contracts and agreements in sub article (b) of this Article 2.

133 (d) This Contract may be terminated by the Contracting Officer at an earlier
134 date upon written notice to the Sites Authority, if the Contracting Officer determines that the
135 Sites Authority has not complied with one or more terms or conditions of this Contract.

136 INTRODUCTION, CONVEYANCE, AND DELIVERY OF NON-PROJECT WATER

137 UTILIZING FEDERAL FACILITIES

138 3. (a) During the term of this Contract, the Sites Authority may introduce up to
139 ##### acre-feet each Year of Non-Project Water from the source(s) identified in Exhibit C,

140 which Exhibit may be updated at any time without amendment of this Contract, into the Federal
141 Facilities at the points of delivery identified in Exhibit D which Exhibit may be updated at any
142 time without amendment of this Contract. The United States or the designated Operating Non-
143 Federal Entity shall convey Non-Project Water through Excess Capacity in the Federal Facilities
144 from said point(s) of introduction for delivery to the Sites Authority at the point(s) identified on
145 Exhibit ## or other location(s) mutually agreed to in writing by the Contracting Officer and the
146 Sites Authority, in accordance with an approved schedule submitted by the Sites Authority
147 pursuant to subdivision (d) of this Article, *Provided*, That the quantity of Non-Project Water to
148 be conveyed for the Sites Authority utilizing Federal Facilities shall not exceed the quantity of
149 Non-Project Water introduced into the Federal Facilities at said point(s) of introduction by the
150 Sites Authority, less applicable conveyance losses.

151 (b) Exhibits C and D may be modified or replaced by mutual agreement of the
152 Sites Authority and the Contracting Officer to reflect changes to the source(s) of Non-Project
153 Water and point(s) of delivery without amendment of this Contract, *Provided, however*, That no
154 such modification or replacement shall be approved by the Contracting Officer absent the
155 completion of all appropriate environmental documentation, including but not limited to,
156 documents prepared pursuant to the National Environmental Policy Act of 1969 (NEPA) and the
157 Endangered Species Act of 1973 (ESA), as amended, and to the extent required under applicable
158 law.

159 (c) All Non-Project Water conveyed and delivered to the Sites Authority
160 pursuant to this Contract shall be compliant with the terms of the respective water rights listed in
161 Exhibit C.

162 (d) Prior to the introduction of Non-Project Water into the Federal Facilities,
163 the Sites Authority shall submit a schedule to the Contracting Officer and the designated
164 Operating Non-Federal Entity showing the quantities of Non-Project Water to be introduced into
165 the Federal Facilities, and the desired time or times for delivery of said Non-Project Water;
166 *Provided*, That the Sites Authority is not required to initially schedule delivery of the maximum
167 quantity of Non-Project Water for which the Sites Authority desires conveyance during the term
168 of this Contract. The initial schedule and any revision(s) thereof shall be in a form acceptable to
169 the Contracting Officer and shall be submitted at such times and in such manner as determined
170 by the Contracting Officer. ~~The Sites Authority shall not introduce Non-Project Water into the~~
171 ~~Federal Facilities unless and until the schedule and any revision(s) thereof have been approved~~
172 ~~by the Contracting Officer.~~The Sites Authority shall provide a delivery schedule sufficiently in
173 advance to allow operational coordination with Reclamation and Operating Non-Federal Entity.
174 Reclamation may require reasonable modifications only to accommodate operational constraints,
175 maintenance or lack of Excess Capacity.
176 (e) ~~All Non-Project Water remaining in the Federal Facilities after thirty (30)~~
177 ~~days from the date of introduction or upon termination of this Contract shall be deemed to be~~
178 ~~unused water relinquished to the United States for CVP purposes. Further, all Non-Project Water~~
179 ~~made available for delivery to the Sites Authority from the Federal Facilities and not accepted by~~
180 ~~the Sites Authority shall be deemed to be unused water relinquished to the United States for CVP~~
181 ~~purposes.~~Non-Project Water not stored by the Sites Authority pursuant to this Contract and
182 remaining in Federal Facilities beyond a reasonable operational period as mutually determined
183 by the Parties may be deemed relinquished only after written notice and opportunity for removal
184 by Sites Authority.

185 (f) Unless otherwise agreed to in writing by the Contracting Officer, the Non-
186 Project Water shall be introduced into existing Federal Facilities and conveyed to the Sites
187 Authority or its designee. If temporary inflow or delivery facilities are required to effectuate the
188 introduction of Non-Project Water into the Federal Facilities or the conveyance of the Non-
189 Project Water to the Sites Authority or its designee utilizing the Federal Facilities, the Authority
190 shall, at its own cost and expense and only for temporary inflow or delivery facilities constructed
191 by or on behalf of the Sites Authority and not constituting existing Federal Facilities, obtain all
192 appropriate environmental documents, necessary rights-of-way for such facilities, including the
193 appropriate right of-use agreement(s) or other authorizations issued by the United States for any
194 such facilities located on right-of-way for existing Federal Facilities. The Sites Authority, at its
195 own cost and expense, shall be responsible for providing, installing, operating, maintaining,
196 repairing, replacing, and removing said inflow and delivery facilities. The Sites Authority
197 hereby grants to the Contracting Officer and the Operating Non-Federal Entity access, for the
198 purpose of this Contract, to all temporary inflow and delivery facilities installed and owned by
199 the Sites Authority.

200 (g) The introduction, conveyance, and delivery of Non-Project Water pursuant
201 to this Contract will not be supported with Central Valley Project Use Power. If electrical power
202 is required to convey or pump the Non-Project Water into, through or from the Federal Facilities,
203 the Sites Authority shall: (i) be responsible for the acquisition and payment of all electrical
204 power and associated transmission service charges, and provide a copy of a power contract and
205 copies of payment documents to the Contracting Officer as evidence that such electrical power
206 has been contracted and paid for prior to the introduction, conveyance, and delivery of any Non-
207 Project Water; and/or (ii) prior to the introduction, conveyance, and delivery of any Non-Project

208 Water, enter into a letter of agreement with the United States that provides for the payment of all
209 actual energy costs and fees incurred in the introduction, conveyance and delivery of the Non-
210 Project Water.

211 (h) The Parties recognize and agree that the Incremental Level 4 Water
212 donated to the Refuge Water Supply Program by the Sites Authority pursuant to Agreement No.
213 ##-WC-20-#### is considered Incremental Level 4 at the Point(s) of Acceptance. Therefore, use
214 of Federal Facilities for conveyance of Non-Project Water from Sites Reservoir to the Point(s) of
215 Acceptance will not be supported by Central Valley Project Use Power.

216 (i) The Sites Authority shall have no rights to any benefits from incidental
217 power generation that may result from the conveyance of the Non-Project Water through Excess
218 Capacity in the Federal Facilities authorized pursuant to this Contract.

219 (j) The introduction of Non-Project Water into the Federal Facilities by the
220 Sites Authority shall be conditioned upon compliance by the Sites Authority with the
221 environmental measures described in the environmental documentation prepared in connection
222 with the execution of this Contract and with the terms of the applicable operations procedures
223 approved by the Contracting Officer.

224 MEASUREMENT OF NON-PROJECT WATER

225 4. (a) All Non-Project Water shall be measured or caused to be measured and
226 recorded by the Sites Authority at the point(s) of introduction and point(s) of delivery established
227 pursuant to Article ## herein with measurement devices acceptable to the Contracting Officer
228 and the methods used to make such measurements shall be in accordance with sound engineering
229 practices.

230 (b) Unless otherwise agreed to in writing by the Contracting Officer, the Sites
231 Authority, at its own cost and expense, shall be responsible for providing, installing, operating,

232 maintaining, repairing, replacing, and removing all measurement devices required under this
233 Contract in accordance with any right-of-use agreement(s) or other requisite authorization(s)
234 issued by the United States. The Sites Authority shall be responsible for all costs associated with
235 the issuance of such right-of-use agreement(s) and authorization(s).

236 (c) The Sites Authority shall maintain accurate records of both the quantity of
237 Non-Project Water expressed in acre-feet and the flow of Non-Project Water expressed in cubic
238 feet per second introduced into and delivered from Federal Facilities at said authorized point(s)
239 of introduction and delivery and shall provide such records to the Contracting Officer and the
240 Operating Non-Federal Entity at such times and in such manner as determined by the
241 Contracting Officer.

242 (d) Upon the request of either Party to this Contract, the Contracting Officer
243 shall investigate or cause to be investigated by the Operating Non-Federal Entity, the accuracy of
244 all measurements of Non-Project Water required by this Contract. If the investigation discloses
245 errors in the recorded measurements, such errors shall be promptly corrected. If the investigation
246 discloses that measurement devices are defective or inoperative, the Contracting Officer shall
247 take any necessary actions to ensure that the responsible Party makes the appropriate
248 adjustments, repairs, or replacements to the measurement devices. In the event the Sites
249 Authority, as the responsible Party, neglects or fails to make or cause to make such adjustments,
250 repairs, or replacements to the measurement devices within a reasonable time and to the
251 reasonable satisfaction of the Contracting Officer, the Contracting Officer may cause such
252 adjustments, repairs, or replacements to be made and the costs thereof shall be charged to the
253 Sites Authority and the Sites Authority shall pay said charges to the United States immediately
254 upon receipt of a detailed billing. For any period of time during which accurate measurements of

255 the Non-Project Water have not been made, the Contracting Officer shall consult with the Sites
256 Authority and the Operating Non-Federal Entity prior to making a determination of the quantity
257 of Non-Project Water introduced, conveyed and delivered for that period of time and such
258 determination by the Contracting Officer shall be final and binding on the Sites Authority.

259 OPERATION, MAINTENANCE, AND REPLACEMENT

260 BY OPERATING NON-FEDERAL ENTITY

261 5. (a) The operation, maintenance and replacement (OM&R) of a portion of the
262 Federal Facilities to be used to introduce and convey Non-Project Water and responsibility for
263 funding a portion of the costs of such OM&R, have been transferred from the United States to an
264 Operating Non-Federal Entity pursuant to a separate agreement, which agreement may be
265 amended, superseded or replaced. That separate agreement shall not interfere with or affect the
266 rights or obligations of the Sites Authority or the United States hereunder.

267 (b) The Sites Authority shall pay directly to the Operating Non-Federal
268 Entity, or to any successor approved by the Contracting Officer under the terms and conditions
269 of the separate agreement described in subdivision (a) of this Article, all rates, charges, or
270 assessments of any kind, including any assessment for reserve funds, that the Operating Non-
271 Federal Entity or such successor determines, sets, or establishes for the OM&R of the portion of
272 the Federal Facilities operated and maintained by the Operating Non-Federal Entity or such
273 successor used to convey the Non-Project Water.

274 (c) For so long as the OM&R of any portion of the Federal Facilities used to
275 convey the Non-Project Water to the Sites Authority is performed by the Operating Non-Federal
276 Entity, or any successor thereto, the Contracting Officer shall adjust those components of the
277 Rates for the Non-Project Water conveyed under this Contract by deleting the costs associated
278 with the activity being performed by the Operating Non-Federal Entity or its successor.

279 (d) In the event the United States reassumes OM&R of any portion of the
280 Federal Facilities from the Operating Non-Federal Entity, the Contracting Officer shall so notify
281 the Sites Authority, in writing, and shall revise the Rates on Exhibit B to include the costs
282 associated with the OM&R activities reassumed by the United States. The Sites Authority shall,
283 thereafter, in the absence of written notification from the Contracting Officer to the contrary, pay
284 the Rates, specified in the revised Exhibit B directly to the United States in compliance with
285 Article 6 of this Contract.

286 PAYMENTS AND ADJUSTMENTS

287 6. (a) At the time the Sites Authority submits a schedule, or any revision(s)
288 thereof pursuant to subdivision (d) of Article 3 of this Contract, the Sites Authority shall make an
289 advance payment to the United States equal to the total amount payable pursuant to the
290 applicable Rates shown on Exhibit B for each acre-foot of Non-Project Water to be introduced
291 into the Federal Facilities. Non-Project Water shall not be introduced into Federal Facilities by
292 the Sites Authority prior to such payment being received by the United States. Final adjustments
293 between the advance payments for the Non-Project Water scheduled and payment for the
294 quantities of Non-Project Water conveyed during the Calendar Year pursuant to this Contract
295 shall be made as soon as practicable but not later than April 30 of the following Calendar Year.

296 (b) The quantity of water conveyed through Federal Facilities to the Sites
297 Authority shall not exceed the quantity of Non-Project Water authorized pursuant to subdivision
298 (a) of Article 3 of this Contract.

299 (c) The amount of any overpayment by the Sites Authority by reason of the
300 quantity of Non-Project Water introduced into the Federal Facilities and conveyed pursuant to
301 this Contract, as conclusively determined by the Contracting Officer, having been less than the

302 quantity which the Sites Authority otherwise under the provisions of this Contract would have
303 been required to pay for, shall be applied first to any accrued indebtedness arising out of this
304 Contract then due and owing to the United States by the Sites Authority. Any amount of such
305 overpayment then remaining shall be refunded to the Sites Authority: *Provided, however, That*
306 no refund shall be made by the United States to the Sites Authority for any quantity of Non-
307 Project Water deemed to be unused water relinquished to the United States for CVP purposes
308 pursuant to subdivision (e) of Article ### of this Contract.

309 (d) The annual operation and maintenance components, paid by the Sites
310 Authority pursuant to subdivision (a) of this Article, shall be covered into the Reclamation Fund
311 pursuant to Section 3 of the Act of February 21, 1911 (36 Stat. 925).

312 (e) The replacement component, including the fixed charge, paid by the Sites
313 Authority pursuant to subdivision (a) of this Article ##, shall be covered in the Central Valley
314 Project fund in accordance with Section 3.A(2) of Reclamation Manual Directives and Standards
315 *Charges for Non-Project Use of Excess Capacity in Reclamation Project Facilities* (PEC 05-11),
316 as may be revised or superseded.

317 (f) The payment of the Rates set forth in this Article ## for the use of Excess
318 Capacity are exclusive of OM&R costs to be paid directly to the Operating Non-Federal Entity
319 by the Sites Authority, and any additional charges that the Sites Authority may assess its water
320 users. In accordance with the Act of February 21, 1911 (36 Stat. 925), the Sites Authority may
321 not impose on its water users any charge for the use of Excess Capacity that exceeds the total
322 amount paid to the United States and to the Operating Non-Federal Entity: *Provided, That* the
323 Sites Authority may also charge its water users such additional amounts as are necessary to cover

324 the Sites Authority's reasonable administrative costs in contracting with the United States for the
325 use of Excess Capacity in the Central Valley Project Facilities.

326 EXCESS CAPACITY

327 7. (a) The availability of Excess Capacity shall be determined solely by the
328 Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States
329 from utilizing available capacity in the Federal Facilities for the storage and conveyance of CVP
330 Water pursuant to Federal law, Reclamation law or policy, and existing contract(s), or for using
331 Excess Capacity in the Federal Facilities for the storage and conveyance of any other supplies of
332 Non-Project Water.

333 (b) The Contracting Officer and the Operating Non-Federal Entity shall not be
334 obligated to convey Non-Project Water during periods of maintenance or for other operating
335 requirements.

336 (c) If at any time the Contracting Officer reasonably determines that there will
337 not be Excess Capacity in the Federal Facilities sufficient to allow the Non-Project Water to be
338 introduced into, conveyed, and delivered in accordance with an approved schedule submitted by
339 the Sites Authority, the Contracting Officer shall so notify the Sites Authority in writing. Within
340 24 hours of said notice, the Sites Authority shall revise its schedule accordingly.

341 (d) No provision of this Contract shall be construed in any way as a basis for
342 the Sites Authority to establish a priority to or a permanent right to the use of Excess Capacity in
343 the Federal Facilities nor to set a precedent to obligate the United States to enter into contracts
344 with any other entities or individuals for the conveyance or storage of Non-Project Water.

345 RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER

346 8. (a) The Parties hereto acknowledge that this Contract does not grant any
347 permission or entitlement to the Sites Authority to extract and/or divert Non-Project Water from

348 the source(s) described on Exhibit ### or to change the nature or place of use of its rights to said
349 Non-Project Water in any way. It is the responsibility of the Sites Authority to comply with all
350 applicable Federal, State, and local laws, rules and regulations, including, but not limited to,
351 State water law in relation to the Non-Project Water. It is expressly understood by the Parties
352 that the United States is only providing conveyance capacity for the Non-Project Water and does
353 not claim any interest in the acquisition or use of the Non-Project Water beyond the terms
354 specifically set forth in this Contract.

355 (b) The Contracting Officer makes no representations as to the accuracy of the
356 description or of the validity of the Sites Authority's rights to the Non-Project Water described in
357 Exhibit C.

358 UNITED STATES NOT LIABLE

359 9. (a) The United States, its officers, agents and employees, including the
360 Operating Non-Federal Entity, shall not be responsible for the control, care, or distribution of
361 Non-Project Water before it is introduced into or after it is delivered from the Federal Facilities.
362 It is specifically understood by the Parties hereto that the United States is only providing
363 conveyance capacity for the Non-Project Water and does not claim any interest in Non-Project
364 Water beyond the terms specifically set forth in this Contract.

365 (b) The Sites Authority shall indemnify and hold harmless the United States,
366 its officers, agents, employees, and assigns, and the Operating Non-Federal Entity, from any loss
367 or damage and from any liability on account of personal injury, death, or property damage, or
368 claims for personal injury, death, or property damage, of any nature whatsoever arising out of
369 any actions or omissions of the Sites Authority, its directors, officers, agents, contractors,
370 employees, and assigns under this Contract, including the manner or method in which the Non-

371 Project Water identified in Exhibit C is introduced into and delivered from the Federal Facilities.
372 The Sites Authority further releases the United States, its officers, agents, employees, assigns,
373 and the Operating Non-Federal Entity, from every claim for injury to persons, death, or property
374 damage, direct or indirect, resulting from the Contracting Officer's determination of the quantity
375 of Excess Capacity available in the Federal Facilities for conveyance of the Non-Project Water;
376 the determination that the Non-Project Water introduced into Federal Facilities must be
377 terminated; or the elimination from Exhibit C of any source(s) of Non-Project Water. Nothing
378 contained in this Article shall be construed as an assumption of liability by the Sites Authority
379 with respect to such matters.

380 CHARGES FOR DELINQUENT PAYMENTS

381 10. (a) The Sites Authority shall be subject to interest, administrative, and penalty
382 charges on delinquent payments. If a payment is not received by the due date, the Sites
383 Authority shall pay an interest charge on the delinquent payment for each day the payment is
384 delinquent beyond the due date. If a payment becomes 60 days delinquent, in addition to the
385 interest charge, the Sites Authority shall pay an administrative charge to cover additional costs of
386 billing and processing the delinquent payment. If a payment is delinquent 90 days or more, in
387 addition to the interest and administrative charges, the Sites Authority shall pay a penalty charge
388 for each day the payment is delinquent beyond the due date, based on the remaining balance of
389 the payment due at the rate of 6 percent per year. The Sites Authority shall also pay any fees
390 incurred for debt collection services associated with a delinquent payment.

391 (b) The interest charge rate shall be the greater of either the rate prescribed
392 quarterly in the Federal Register by the Department of the Treasury for application to overdue
393 payments or the interest rate of 0.5 percent per month. The interest charge rate will be
394 determined as of the due date and remain fixed for the duration of the delinquent period.

395 (c) When a partial payment on a delinquent account is received, the amount
396 received shall be applied first to the penalty charges, second to the administrative charges, third
397 to the accrued interest, and finally to the overdue payment.

398 (d) If Reclamation pays the Operating Non-Federal Entity directly for the
399 Sites Authority's delinquent payment, the Sites Authority shall credit Reclamation as an In-Kind
400 Service or reimburse Reclamation as provided in the Partnership Agreement.

401 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

402 11. (a) The obligation of the Sites Authority to pay the United States as provided
403 in this Contract is a general obligation of the Sites Authority notwithstanding the manner in
404 which the obligation may be distributed among the Sites Authority’s water users and
405 notwithstanding the default of individual water users in their obligation to the Sites Authority.

406 (b) The payment of charges becoming due pursuant to this Contract is a
407 condition precedent to receiving benefits under this Contract. The United States shall not make
408 Non-Project Water available to the Sites Authority through Central Valley Project Facilities
409 during any period in which the Sites Authority is in arrears in the advance payment of Rates and
410 charges due the United States. The Sites Authority shall not deliver Non-Project Water under the
411 terms and conditions of this Contract for lands or Parties that are in arrears in the advance
412 payment of rates and charges as levied or established by the Sites Authority.

413 CONFIRMATION OF CONTRACT

414 12. Promptly after the execution of this contract, the Sites Authority will provide to
415 the Contracting Officer a certified copy of a final decree of a court of competent jurisdiction in
416 the State of California, confirming the proceedings on the part of the Sites Authority for the
417 authorization of the execution of this contract. This contract will not be binding on the United
418 States until the Sites Authority secures a final decree.

419 NOTICES

420 13. Any notice, demand, or request authorized or required by this Contract shall be
421 deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or
422 delivered to Bureau of Reclamation, 2800 Cottage Way, Sacramento, CA 95825-1898, and on
423 behalf of the United States, when mailed, postage prepaid, or delivered to Sites Project
424 Authority, P.O. Box 517, 122 Old Highway 99 West, Maxwell, California 95955. The
425 designation of the addressee or the address may be changed by notice given in the same manner
426 as provided in this Article for other notices.

427 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

428 14. The expenditure or advance of any money or the performance of any obligation of
429 the United States under this Contract shall be contingent upon appropriation or allotment of
430 funds. Absence of appropriation or allotment of funds shall not relieve the Sites Authority from
431 any obligations under this Contract. No liability shall accrue to the United States in case funds
432 are not appropriated or allotted.

433 OFFICIALS NOT TO BENEFIT

434 15. No Member of or Delegate to the Congress, Resident Commissioner, or official of
435 the Sites Authority shall benefit from this Contract other than as a water user or landowner in the
436 same manner as other water users or landowners.

437

CHANGES IN SITES AUTHORITY'S ORGANIZATION

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16. While this Contract is in effect, no change may be made in the Sites Authority's organization, by inclusion or exclusion of lands or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the Sites Authority under this Contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

443

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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17. The provisions of this Contract shall apply to and bind the successors and assigns of the Parties hereto, but no assignment or transfer of this Contract or any right or interest therein by either Party shall be valid until approved in writing by the other Party.

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BOOKS, RECORDS, AND REPORTS

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18. (a) The Sites Authority shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the Sites Authority's financial transactions; water supply data; Sites Project operation, maintenance, and replacement logs; Sites Project land and rights-of-way use agreements; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each Party to this Contract shall have the right during office hours to examine and make copies of the other Party's books and records relating to matters covered by this Contract.

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(b) ~~Nothing in this Article ## shall be construed to limit or constrain the ability of the Bureau of Reclamation to conduct contract compliance reviews of this Contract in accordance with Reclamation Manual Directives and Standards PEC 05-08, last revised November 20, 2014, and as may be further revised, amended, modified, or superseded.~~

462

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

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19. (a) The parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this Contract is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa, *et seq.*), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

468 (b) The Sites Authority shall comply with all applicable Federal, State, and
469 local laws, executive orders, rules and regulations applicable to its performance under this
470 Contract.

471 PROTECTION OF WATER AND AIR QUALITY

472 20. (a) Central Valley Project Facilities used to make available and deliver Non-
473 Project Water to the Authority shall be operated and maintained in the most practical manner to
474 maintain the quality of the Non-Project Water at the highest level possible as determined by the
475 Contracting Officer: Provided, That the United States does not warrant the quality of the Non-
476 Project Water delivered to the Sites Authority and is under no obligation to furnish or construct
477 water treatment facilities to maintain or improve the quality of the Non-Project Water delivered
478 to the Sites Authority.

479 (b) The Sites Authority shall comply with all applicable water and air
480 pollution laws and regulations of the United States and the State of California; and shall obtain
481 all required permits or licenses from the appropriate Federal, State, or local authorities necessary
482 for the delivery of Non-Project Water by the Sites Authority; and shall be responsible for
483 compliance with all Federal, State, and local water quality standards applicable to surface and
484 subsurface drainage and/or discharges generated through the use of CVP Facilities or Sites
485 Authority facilities or Non-Project Water provided by the Sites Authority within the Sites
486 Authority's **Service Area/Boundaries**.

487 (c) This Article ## shall not affect or alter any legal obligations of the
488 Secretary to provide drainage or other discharge services.

489 (d) The Non-Project Water introduced into the CVP Facilities shall be of such
490 quality, as determined solely by the Contracting Officer, as to not significantly degrade the
491 quality of the CVP Water. If it is determined by the Contracting Officer that the quality of the
492 Non-Project Water from any source(s) identified in Exhibit ## will significantly degrade the
493 quality of CVP Water in or introduced into the CVP Facilities, the Sites Authority shall, upon
494 receipt of a written notice from the Contracting Officer, arrange for the immediate termination of
495 the introduction of Non-Project Water from such sources(s) into the CVP Facilities, and Exhibit
496 ## shall be modified to delete such sources(s) of Non-Project Water.

497 (e) Exhibit ## identifies the minimum water quality standards for monitoring
498 the quality of Non-Project Water introduced by the Sites Authority into CVP Facilities. Exhibit
499 ## identifies the laboratories approved by the Contracting Officer that are to be used for
500 conducting water quality analyses. The Sites Authority is responsible for sampling and
501 analytical costs associated with evaluating quality of the Non-Project Water. Non-Project Water
502 introduced into CVP Facilities for purposes of water quality testing is considered CVP Water.

503 (f) At all times during the term of this Contract, the Sites Authority shall be in
504 compliance with the requirements of the then-current Quality Assurance Project Plan (Plan)
505 approved by the Contracting Officer to monitor Non-Project Water introduced into and conveyed
506 through the CVP Facilities. The Plan describes the sample collection procedures, water testing
507 methods, and data review process, including quality control/quality assurance protocols, to verify
508 analytical results.

509 (g) The Contracting Officer reserves the right to require additional analyses to
510 ensure the Non-Project Water meets the Bureau of Reclamation's water quality acceptance
511 criteria.

512 WATER CONSERVATION

513 21. Prior to the delivery of water provided from or conveyed through federally
514 constructed or federally financed facilities pursuant to this Contract, the Sites Authority shall
515 develop a water conservation plan, as required by subsection 210(b) of the Reclamation Reform
516 Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

517 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

518 22. (a) The Sites Authority shall comply with Title VI of the Civil Rights Act of
519 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title
520 V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
521 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.
522 L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
523 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
524 Interior and/or Bureau of Reclamation.

525 (b) These statutes prohibit any person in the United States from being
526 excluded from participation in, being denied the benefits of, or being otherwise subjected to
527 discrimination under any program or activity receiving financial assistance from the Bureau of
528 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this
529 Contract, the Sites Authority agrees to immediately take any measures necessary to implement
530 this obligation, including permitting officials of the United States to inspect premises, programs,
531 and documents.

532 (c) The Sites Authority makes this Contract in consideration of and for the
533 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
534 Federal financial assistance extended after the date hereof to the Sites Authority by the Bureau of
535 Reclamation, including installment payments after such date on account of arrangements for
536 Federal financial assistance which were approved before such date. The Sites Authority
537 recognizes and agrees that such Federal assistance will be extended in reliance on the
538 representations and agreements made in this article and that the United States reserves the right
539 to seek judicial enforcement thereof.

540 (d) Complaints of discrimination against the Sites Authority shall be
541 investigated by the Contracting Officer's Office of Civil Rights.

542 MEDIUM FOR TRANSMITTING PAYMENTS

543 23. (a) All payments from the Sites Authority to the United States under this
544 contract shall be by the medium requested by the United States on or before the date payment is
545 due. The required method of payment may include checks, wire transfers, or other types of
546 payment specified by the United States.

547 (b) Upon execution of the contract, the Sites Authority shall furnish the
548 Contracting Officer with the Sites Authority's taxpayer's identification number (TIN). The
549 purpose for requiring the Sites Authority's TIN is for collecting and reporting any delinquent
550 amounts arising out of the Sites Authority's relationship with the United States.

551 CONTRACT DRAFTING CONSIDERATIONS

552 24. This Contract has been negotiated and reviewed by the Parties hereto, each of
553 whom is sophisticated in the matters to which this Contract pertains. The double-spaced articles
554 of this Contract have been drafted, negotiated, and reviewed by the Parties, and no one Party
555 shall be considered to have drafted the stated Articles.

556 SEVERABILITY

557 25. In the event that any one or more of the provisions contained herein is, for any
558 reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or
559 unenforceability will not affect any other provisions of this Agreement, but this Agreement is to
560 be construed as if such invalid, illegal or unenforceable provisions had never been contained

561 herein, unless the deletion of such provision or provisions would result in such a material change
562 so as to cause the fundamental benefits afforded the Parties by this Agreement to become
563 unavailable or materially altered.

564 INCORPORATION OF EXHIBITS

565 26. Exhibits A through F are attached hereto and incorporated herein by reference.

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566 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day
567 and year first above written.

568 (SEAL) UNITED STATES OF AMERICA

569 By: _____
570 Regional Director
571 California Great-Basin Region
572 Bureau of Reclamation

573 SITES PROJECT AUTHORITY

574 By: _____
575 [Name], [Title]

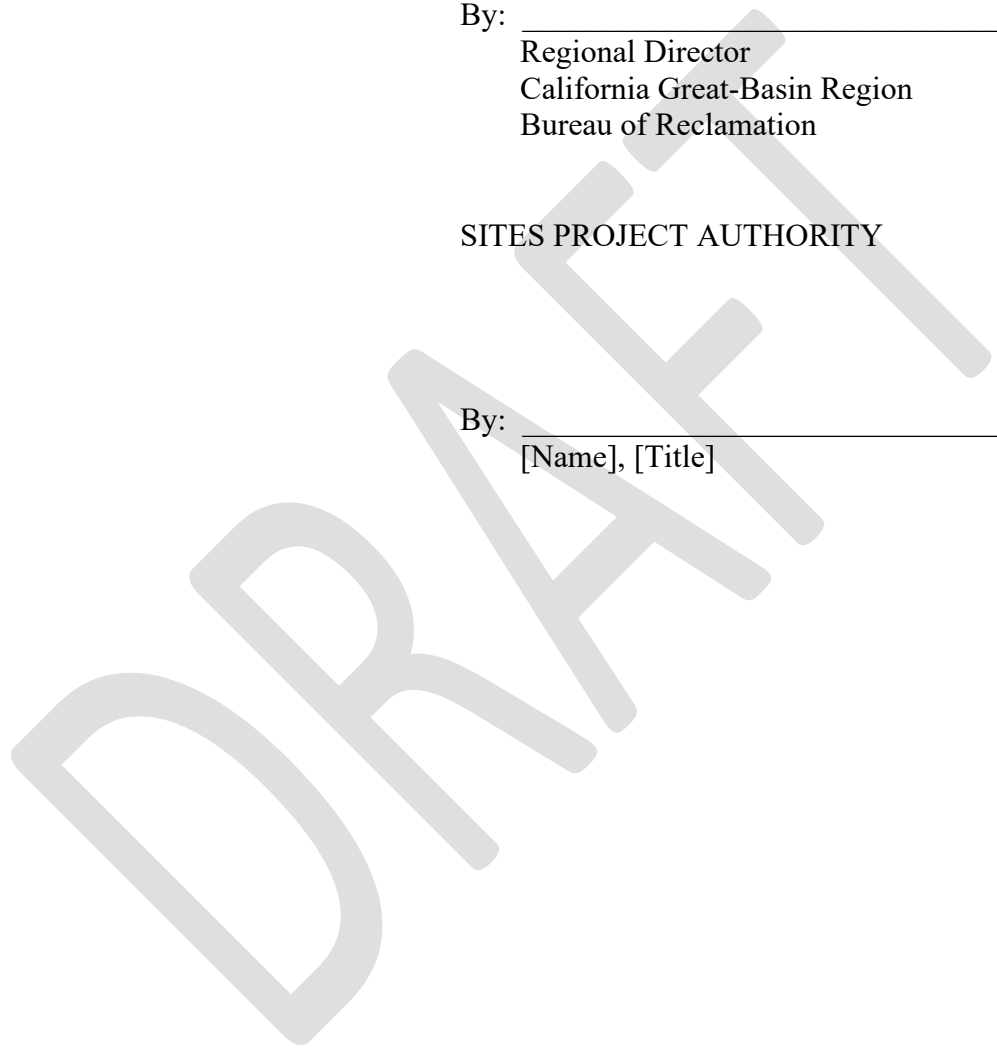


EXHIBIT A

AUTHORITY'S BOUNDARIES

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EXHIBIT B

STORAGE AND CONVEYANCE RATES

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EXHIBIT C

**SOURCE(S) OF NON-PROJECT WATER
SITES AUTHORITY**

The source of the Sites Authority's Non-Project Water Supply, ~~commonly known as "Sites Water,"~~ shall refer to the Sites Water Right, ~~is~~ described herein below:

The source of the Sites Authority's Non-Project Water supply is the (1) Sacramento River in Tehama County and (2) Sacramento River in Glenn County diverted and stored under the Sites Authority's Water Right Application 33534, which authorizes the Sites Authority to divert and store Municipal, Domestic, Industrial, Irrigation, Recreational, Stockwatering, Frost Protection, Fish and Wildlife Preservation and Enhancement, and Incidental Power uses.

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EXHIBIT D

POINT(S) OF INTRODUCTION AND DELIVERY OF NON-PROJECT WATER

	GPS Coordinates	Power Required?
<u>Points of Introduction</u>		
Red Bluff Pumping Plant		
Funks Reservoir		
<u>Points of Delivery</u>		
Funks Reservoir		
Tehama-Colusa Canal		
C.W. "Bill" Jones Pumping Plant		
San Luis Reservoir		
San Luis Canal		
Delta Mendota Canal		
Delta-Mendota Canal/California Aqueduct Intertie		

EXHIBIT E

WATER QUALITY STANDARDS

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EXHIBIT F

APPROVED LABORATORY LIST

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